

SANLORENZO

**PROCEDURE GOVERNING
RELATED PARTY TRANSACTIONS**

Sanlorenzo S.p.A.

Updated as of 23 December 2019

LEGAL NOTICE

This document is an informal translation of the original Italian document. In case of inconsistency between this document and the original document in Italian, the latter will prevail.

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1. Introduction

This procedure (the “**Procedure**”) is adopted by Sanlorenzo S.p.A. (the “**Company**”) in compliance with Article 2391-*bis* of the Italian Civil Code and the Transactions with Related Parties Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010 (the “**Regulation**”, attached as Annex A to the procedure) and based upon the indications contained in CONSOB Communication no. DEM/10078683, published on 24 September 2010, containing “*indications and guidelines for applying the Transactions with Related Parties Regulation adopted with resolution no. 17221 of 12 March 2010 as amended*” (the “**Communication**”).

2. Definitions

2.1 In addition to the terms defined above, in the Procedure the following terms will have the meaning attributed to them below (terms defined in the singular will have the corresponding meaning in the plural and vice versa):

“**Consolidated Law on Finance**” indicates Italian Legislative Decree no. 58 of 14 February 1998.

“**Financial Reporting Officer**” indicates the Officer responsible for preparing the corporate accounting documents envisaged by Article 154-*bis* of the Consolidated Law on Finance within the Company.

“**Independent Directors**” indicates the Company directors in possession of the requirements of independence envisaged by Article 148, paragraph 3 of the Consolidated Law on Finance and recognised as independent by the Company also in accordance with the Corporate Governance Code for listed companies prepared by Borsa Italiana S.p.A.

“**Issuers' Regulation**” indicates the regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999 laying down the rules on issuers.

“**Ordinary Transactions**” means Transactions with Related Parties that fall within the ordinary exercise of the operational activity and connected financial activity (to be assessed according to the general principles indicated in point 3 of the Communication).

“**Related Party**” refers to each entity that:

- (a) directly or indirectly, even through subsidiaries, trust companies or intermediaries:
 - (i) controls the Company, is controlled by it or is subject to common control;
 - (ii) holds an equity investment in the Company such as to be able to exercise a significant influence over the latter;
 - (iii) exercises control over the Company jointly with other entities;
- (b) is an associated company of the Company;
- (c) is a joint venture in which the Company is a participant;
- (d) is one of the managers with strategic responsibilities of the Company or of an entity that controls the Company;
- (e) is a close relative of one of the persons indicated in letters (a) or (d);
- (f) is an entity in which one of the persons indicated in letters (d) or (e) exercises control, joint control or a significant influence or holds, directly or indirectly, a significant share, in any case not less than 20%, of the voting rights;
- (g) is a supplementary pension fund, collective or individual, Italian or foreign, established in favour of the Company's employees or any other entity related to it.

The assessment regarding an entity's nature as a Related Party should be conducted according to the general principles indicated at point 1 of the Communication.

“**Related Party Transactions Committee**” or “**Committee**” indicates the Committee established within the Company's board of directors in accordance with the Regulation.

“**Standard Market Conditions or Standards**” means, with respect to each specific Transaction with a Related Party, conditions analogous to those usually applied to unrelated parties for transactions of corresponding nature, amount and risk, or based upon regulated tariffs or imposed prices or those applied to entities with which the issuer is obliged by law to contract at a certain fee.

“**Subsidiaries**” means the Company's Italian or foreign subsidiary companies.

“**Transactions of Greater Significance**” refers to each individual Transaction with Related Parties in which even just one of the indicators of significance established by Annex 3 of the Regulation is met (to be assessed according to the general principles indicated in point 2 of the Communication).

“**Transactions of Lesser Significance**” means all Transactions with Related Parties other than the Transactions of Greater Significance and the Transactions of Limited Value.

“**Transactions of Limited Value**” refers to each individual Transaction with Related Parties whose equivalent value is less than Euro 10,000.00 (ten thousand). It is specified that, with regard to each Transaction implemented by several separate acts, the aforementioned threshold is to be applied with reference to the market value of the Transaction as whole and is understood to be exceeded when the individual parts, albeit separately being less than the aforementioned sum, have a higher equivalent value when added together.

“**Transaction with Related Parties**” or “**Transaction**” means any transfer of resources, services or obligations between Related Parties, irrespective of whether or not a fee has been agreed. In any case, the following are included: (i) operations of merger, spin-off by incorporation or spin-off in the strict non-proportional sense with Related Parties; (ii) capital increases with exclusion of the right of option in favour of a Related Party; (iii) any decision relating to the assignment of remuneration and economic benefits, in any form, to members of the management and control bodies and to managers with strategic responsibilities. The assessment regarding the classification of a certain transaction as a Transaction with a Related Party should be conducted according to the general principles indicated in point 1 of the Communication.

- 2.2 For the purposes of the definitions and the Procedure, the notions of "control", "joint control", "significant influence", "close relatives", "managers with strategic responsibilities", "subsidiary", "associated company" and "joint venture" are those indicated in Annex 1 of the Regulation.

3. Scope of application of Procedure and option for applying a single procedure for all Transactions with Related Parties

- 3.1 The Procedure regulates, in order to guarantee their transparency and substantive and procedural correctness, the Transactions with Related Parties concluded:
- (i) by the Company; and
 - (ii) by the Subsidiaries and which are examined or approved by the Company itself according to what is indicated in point 7 of the Communication.

The Procedure does not apply if the counterparty of the Company or the Subsidiary is an entity other than a Related Party, as the Company does not invoke the right envisaged by Article 4, paragraph 2 of the Regulation.

- 3.2 Both as a company of smaller dimensions, and as a recently listed company (referring to the definition indicated, respectively, in Article 3, paragraph 1, letter g) and Article 3, paragraph 1, letter f) of the Regulation), the Company invokes, in accordance with Article 10 of the Regulation, the right to apply to all Transactions with Related Parties (and therefore both to Transactions of Greater Significance, and to Transactions of Lesser Significance) the same procedure, established by the subsequent articles of the

Procedure and identified in respect of the provisions of Article 7 of the Regulation with regard to the "Procedures for Transactions of Lesser Significance for companies that adopt traditional or single-tier management and control systems". In any case, the public disclosure obligations regarding Transactions of Greater Significance indicated in Article 5 of the Regulation remain in place.

4. Exclusions

4.1 The Procedure does not apply:

- (i) to Transactions of Limited Value;
- (ii) to remuneration plans based upon financial instruments approved by the shareholders' meeting in accordance with Article 114-*bis* of the Consolidated Law on Finance and the respective operating conditions;
- (iii) to decisions, other than those indicated in Article 13, paragraph 1 of the Regulation and referred to in point (ii) above, on the remuneration of directors invested with particular roles as well as other managers with strategic responsibilities, provided that the same are recruited in respect of the conditions envisaged by Article 13, paragraph 3, letter b) of the Regulation;
- (iv) to Ordinary Transactions that have been concluded at Standard Market Conditions or Standards, subject to the communication obligations to CONSOB in accordance with Article 13 of the Regulation.

The exclusion indicated in Article 13, paragraph 1 of the Regulation also remains in place.

4.2 Without prejudice to the provisions of Article 5, paragraph 8 of the Regulation on periodic accounting information, the Procedure does not apply to Transactions with Related Parties with or between subsidiaries, even jointly, as well as to Transactions with associated companies (where, for the purposes of the exemption, the relevant definitions of subsidiaries and associated companies are those contained in Annex no. 1 to the Regulation), where, in the counterparty subsidiaries or associated companies of the Transaction, there are no significant interests of other Related Parties.

For the purposes of the foregoing, significant interests are not considered those deriving from the mere sharing of one or more directors or other managers with strategic responsibilities between the Company and the subsidiaries or associated companies. Significant interests, on the other hand, exist where, in addition to the mere sharing of one or more directors or other managers with strategic responsibilities, those entities benefit from incentive plans based upon financial instruments (or, in any case, variable remuneration) depending on the results achieved by the subsidiaries or by associated companies with which the Transaction is carried out.

In any case, the assessment of significance of the interests is deferred case by case to the evaluation of the chairman of the Transactions with Related Parties Committee or the Committee, in accordance with the provisions of Article 6 below; that assessment must be carried out according to the general principles indicated in point 21 of the Communication.

4.3 Where expressly permitted by the by-laws, in urgent cases, Transactions with Related Parties that are not under the remit of the shareholders' meeting may be completed by the person competent to perform them (subject to the applicability of Article 6.8, second part below) without applying the Procedure, but with the obligations indicated in Article 5 of the Regulation, provided that:

- (i) for Transactions under the remit of executive directors or the executive committee, the chairman of the board of directors and the chairman of the executive committee and, in any case, the chairman of the Related Party Transactions Committee are informed before the same are completed; in the case of Transactions under the remit of the chairman of the board of directors who is also an executive director, the chairman of the Transactions with Related Parties Committee is informed before the same are completed;

- (ii) the Transactions are later the subject of, without prejudice to their effectiveness, a non-binding resolution of the next ordinary shareholders' meeting of the Company;
 - (iii) the board of directors, which calls the shareholders' meeting indicated in above point (ii), prepares a report containing adequate motivation of the urgent reasons concerning the Transaction and the board of statutory auditors reports to the shareholders' meeting its assessments on the existence of the urgent reasons;
 - (iv) the report and the assessments referred to in above point (iii) are made available to the public at least twenty-one days before the day fixed for the shareholders' meeting, at the registered office and by the methods indicated in Title II, Chapter I of the Issuers' Regulation. Those documents may be contained in the information document indicated in Article 5, paragraph 1 of the Regulation;
 - (v) by the day after that of the shareholders' meeting, the Company makes available to the public, by the methods indicated in Title II, Chapter I of the Issuers' Regulation, the information on the results of the vote, with particular regard to the number of overall votes expressed by unrelated shareholders.
- 4.4 The cases of exclusion envisaged by this Article 4 also apply to Transactions with Related Parties implemented by way of Subsidiaries in accordance with above Article 3.1, point (ii).

5. Related Party Transactions Committee

- 5.1 The Company's board of directors establishes the Related Party Transactions Committee and appoints its members and chairman. The Committee necessarily consists of three Independent Directors.
- 5.2 The directors only accept the role as members of the Related Party Transactions Committee if they believe that they can dedicate the necessary time to perform diligently their duties.
- 5.3 Unless otherwise decided by the board of directors at the time of appointment, the term of office of the members of the Related Party Transactions Committee is equated to that of the board of directors to which the members of belong. The termination for any reason from the role of director involves automatically and immediately the removal from the Committee.
- 5.4 Any remuneration for participating in the Related Party Transactions Committee is established by the board of directors. In any case, expenses reasonably incurred and documented for the exercise of the role will be reimbursed.
- 5.5 The Related Party Transactions Committee meets upon convocation by its chairman every time this is necessary in accordance with the Procedure and every time this is deemed opportune, in any case, at least half-yearly, or when two of its members, or the chairman of the board of statutory auditors or the chairman of the board of directors makes a written request to the chairman of the Committee.
- 5.6 The Related Party Transactions Committee, at the proposal of its chairman, may designate permanently a secretary of the Committee, who need not be a member.
- 5.7 The chairman of the board of statutory auditors or another standing auditor designated by him/her attends at meetings of the Related Party Transactions Committee; the other statutory auditors may also participate.
- 5.8 The directors may also attend at meetings of the Related Party Transactions Committee, together with the heads of the departments of the Company and the subsidiaries, or other persons whose presence may be of assistance for the best performance of the functions of the Committee itself, who are invited by its chairman. At the time of voting, persons other than the members of the Related Party Transactions Committee and the secretary must leave the meeting.
- 5.9 The meeting of the Related Party Transactions Committee is called via registered letter, certified email, fax or ordinary email, sent to the Committee members and to the auditors at least three days before (in

urgent cases, by telegram, certified email, fax or email sent at least twenty-four hours before) the date of meeting, to the domicile or address as communicated to the Company by each member and standing auditor in office. The notice must contain the indication of the day, time and location of the meeting and the agenda.

- 5.10 Meetings of the Related Party Transactions Committee are chaired by its chairman or, in his/her absence or if he/she is unable to attend, by the member chosen by the attendees.
- 5.11 Meetings of the Related Party Transactions Committee may even be held by means of telecommunication, provided that the requirements stated by Article 17.4 of the Company's by-laws for meetings of the board of directors held by way of means of telecommunication are respected.
- 5.12 Minutes must be taken of meetings of the Related Party Transactions Committee. The minutes are prepared and signed by the chairman of the meeting and by the secretary, who, if not appointed in accordance with Article 5.6 above, is designated by the chairman of the meeting and may even be chosen from outside the members of the Committee; the minutes are filed with the records of the Company.
- 5.13 In order for meetings of the Related Party Transactions Committee to be valid, the presence of the majority of its members in office is required; to calculate the majority for resolutions, the abstaining directors are not considered as present. In the case of equal votes, the vote of the chairman of the Committee, if present, prevails.
- 5.14 For anything not envisaged by the Procedure, the rules of the Company's by-laws, which regulate meetings of the board of directors, shall apply to meetings of the Related Party Transactions Committee *mutatis mutandis*.
- 5.15 For the conduct of its functions and duties, the Related Party Transactions Committee has the right to access the company information and functions.

6. Transactions with Related Parties Procedure

- 6.1 Persons who, on behalf of the Company or the Subsidiaries, are responsible for carrying out a certain transaction, which is classifiable as a Transaction with Related Parties, promptly communicate to the chairman of the board of statutory auditors and to the chairman of the Related Party Transactions Committee of the Company the start of the respective negotiations, specifying, in addition to the other elements concretely significant for describing the specific Transaction, at least:
 - (i) the name of the contractual counterparty and the nature of the correlation;
 - (ii) the subject, economic conditions and main non-economic conditions of the Transaction;
 - (iii) the reasons and convenience of the Transaction and any risk profiles and criticalities that it involves for the Company;
 - (iv) the terms planned for completing the Transaction;
 - (v) if it is decided that it is a Transaction concluded at Standard Market Conditions or Standards; in that case, the communication must contain objective elements of identification.

The persons competent to carry out the Transaction also report regularly and promptly to the chairman of the board of statutory auditors and to the chairman of the Related Party Transactions Committee of the Company upon the progress of the negotiations, with particular reference to the conditions already communicated in line with what is stated above which alter during the same.

- 6.2 Having received the information indicated in Article 6.1 above, the chairman of the Related Party Transactions Committee establishes if there is any case of exclusion of applicability of the Procedure in accordance with Article 4 above and communicates this in writing without delay to the person competent to carry out the Transaction with the Related Party.

- 6.3 In all cases where, having received the communication indicated in Article 6.1, the chairman of the Related Party Transactions Committee believes that there is no case for exclusion of the Procedure in accordance with Article 4 above, he/she shall call the Committee, by way of notice of convocation to be sent applying the rules envisaged by the Company's by-laws for convocations of the board of directors, which must contain the same information indicated in Article 6.1 above. The standing auditors of the Company are also entitled to attend at meetings of the Committee, along with the directors who are specifically invited by the Committee.
- 6.4 The chairman of the Committee must also ensure, in any case where the information received in accordance with Article 6.1 above is incomplete, that the same is supplemented by the persons competent to conclude the Transaction, and he/she must provide to the other Committee members the additional information thus acquired, along with that received in accordance with Article 6.1, paragraph 2 above.
- 6.5 The meeting of the Related Party Transactions Committee must be held in good time for the date planned for making the decision on the specific Transaction with Related Parties and, if this is under the remit of the board of directors, at least three days before the meeting of the same which is asked to resolve on the matter.
- 6.6 In relation to each Transaction with Related Parties submitted for examination of the Related Party Transactions Committee, each Committee member declares in writing, by communication sent without delay to the other Committee members, the absence of relationships of correlation with respect to the specific Transaction (also, possibly, in relation to the counterparty of the Subsidiaries).
- 6.7 If three Independent Directors are not present, or if one or more members of the Related Party Transactions Committee declare to be related with reference to the specific Transaction, in order to protect the substantive correctness of the Transaction with Related Parties, the Committee's role will be performed by any unrelated Independent Director or Independent Directors who are present or, in their absence, by the board of statutory auditors. If the opinion of the board of statutory auditors is requested, the members of the board itself, where they have an interest, on their own behalf or that of third parties, in the Transaction with Related Parties, inform the other auditors of this, specifying its nature, terms, origin and scope.
- 6.8 The Related Party Transactions Committee - or, when applicable, the persons who replace it in accordance with Article 6.7 above - may be assisted, at the Company's expense, by one or more independent experts of their choice, even acquiring expert reports and/or fairness opinions and/or legal opinions, to be sent to all Committee members appropriately in advance of the date of the Committee meeting convened in accordance with Article 6.3 above. The role of independent expert may not be assigned to persons who are counterparties in the Transaction or Related Parties of the Company or of the counterparty in the Transaction. The selected expert must declare his/her independence at the time of appointment. An expenditure limit of Euro 20,000.00 is fixed for the assistance of independent experts for each individual Transaction.
- 6.9 In accordance with Article 2391 of the Italian Civil Code, when the Transaction is under the remit of an executive officer and the latter has an interest, on his/her own behalf or that of third parties, in the same, he/she must refrain from completing the Transaction, delegating the same to the board of directors.
- 6.10 Subject to the reserve of the remit of the board of directors indicated in Article 6.9 above in the cases envisaged therein, the decisions on transactions classified as Transactions with Related Parties not under the remit of the shareholders' meeting are made by the competent person subject to the mandatory, motivated and non-binding opinion of the Related Party Transactions Committee, to be given in accordance with the provisions of Article 6.11 below.
- 6.11 The Related Party Transactions Committee, called in accordance with Article 6.3 above, must provide a non-binding written opinion on the specific Transaction with Related Parties, in which it must illustrate considerations on the Company's interest in completing the Transaction, on the substantive correctness of the respective conditions and on the convenience of the same for the Company. It must attach any

expert reports and/or fairness opinions and/or legal opinions received from independent experts in accordance with Article 6.8 above to that opinion. The opinion may confirm the occurrence of a case of exclusion of applicability of the Procedure in accordance with Article 4 above even where the chairman of the Committee has not identified its existence and it may contain an indication to which any expression of favourable opinion on the transaction is subjected. The opinion must be sent to the chairman of the board of statutory auditors and to the person competent to carry out the Transaction in good time for the date scheduled for deciding on the same (in the case of the board of directors or the executive committee, the transmission should be sent to the chairman of the board of statutory auditors and, if appropriate, to the chairman of the board of directors or to the chairman of the executive committee). A Committee member must also illustrate the opinion during the board of directors or the executive committee asked to decide on the Transaction, if the same is under the remit of the board of directors or the executive committee.

- 6.12 If the specific Transaction with Related Parties is under the remit of the board of directors or the executive committee or in any case a body whose decisions are recorded by minutes, those minutes must contain adequate motivation in relation to the Company's interest in completing the Transaction and the convenience and substantive correctness of its conditions. Therefore, it shall contain evidence of the main elements of the opinion prepared by the Related Party Transactions Committee (or, as appropriate, by the entities that replace it in accordance with Article 6.7 above). In the respective vote, any directors with an interest must comply with the provisions of Article 2391 of the Italian Civil Code, assessing case by case the opportunity of abstaining from the resolution or leaving the room during the same.
- 6.13 If the specific Transaction with Related Parties is under the remit of the executive officers or managers equipped with a delegation, the motivations concerning the Company's interest in completing the same and the convenience and substantive correctness of the respective conditions, as well as the illustration of the main elements of the opinion rendered by the Related Party Transactions Committee, are provided to the board of directors and to the board of statutory auditors in the next meeting after its completion.
- 6.14 In any case, the executive officers or the executive committee of the Company provide, at least quarterly, to the board of directors, to the Related Party Transactions Committee and to the board of statutory auditors complete and detailed information on the individual Transaction with Related Parties, therein including those excluded from the approval of the Procedure in accordance with Article 4 above, approved in the quarter of reference and their main characteristics and conditions.
- 6.15 Without prejudice to the provisions of Article 17 of Regulation (EU) no. 596/2014, the board of directors must prepare and make available to the public, within fifteen days from the end of each quarter of the financial year, at the registered office and by the methods indicated in Title II, Chapter I of the Issuers' Regulation, a document containing an indication of the counterparty, the subject and the value of Transactions approved in the quarter of reference in the presence of a negative opinion expressed by the Related Parties Committee (or, as appropriate, by the entities that replace it in accordance with Article 6.7 above). Within the same terms, the opinion is also made available to the public, attached to the information document or on the Company's website.

7. Transactions with Related Parties under the remit of the shareholders' meeting

- 7.1 If a Transaction with Related Parties is under the remit of the shareholders' meeting or must be authorised by it in accordance with the law or the by-laws, for the preliminary phase and approval phase of the resolution proposal by the board of directors to be submitted to the shareholders' meeting, the provisions of Article 6 above shall apply *mutatis mutandis*.
- 7.2 The Company does not invoke the right envisaged by Article 11, paragraph 5 of the Regulation.

8. Transactions with Related Parties carried out by Subsidiaries

- 8.1 If the executive directors, the executive committee or the managers equipped with a delegation examine and/or approve Transactions with Related Parties carried out by Subsidiaries, they must provide to the Related Party Transactions Committee (or, as appropriate, to the entities that replace it in accordance with Article 6.6 above), to the board of statutory auditors and to the board of directors appropriately in advance adequate and complete information on the Transaction and, in particular, on the Related Party, on the nature of the correlation, on the subject, economic conditions and main non-economic conditions and on the terms of the same, as well as on the interests and motivations underlying the same; if it is believed that it is a Transaction concluded at Standard Market Conditions or Standards, this must also be communicated, providing objective elements of evidence.
- 8.2 In the case envisaged by Article 8.1 above, the decision on the Transaction with a Related Party is made by the competent person of the Subsidiary subject to the written, motivated non-binding opinion of the Company's Related Party Transactions Committee (or, as appropriate, the entities that replace it in accordance with Article 6.6 above), an opinion that must be rendered in respect of the terms envisaged by Article 6.10 above. All information sent to the Committee, together with the additional documentation on the Transaction, is made promptly available to the competent person of the Subsidiaries making the decision in relation to the same.
- 8.3 If the specific Transaction with Related Parties to be implemented by the Subsidiaries is under the remit of the shareholders' meeting, for the phase of the resolution proposal to be submitted to the shareholders' meeting itself, the procedure indicated above, with the necessary adaptations, shall apply.
- 8.4 The executive directors, or the executive committee of the Company, provide, at least quarterly, to the board of directors, to the Related Party Transactions Committee and to the board of statutory auditors complete and detailed information on the individual Transactions with Related Parties, therein including those subject to exemption in accordance with Article 13, paragraphs 2 and 3, letter c) and Article 14, paragraph 2 of the Regulation, approved by the Subsidiaries in the quarter of reference and on their main characteristics and conditions.

9. Framework resolution procedure

- 9.1 In accordance with Article 12 of the Regulation, Transactions that are homogeneous between them with certain categories of Related Parties, implemented even by way of Subsidiaries, may be approved with the use of framework resolutions, which must be assumed by the board of directors in compliance with the provisions of Article 6 above (without prejudice to the case of exemption of the Limited Value, to be referred to the market value of the individual transactions subject to the framework resolution, considered cumulatively) and in respect of what is stated below.
- 9.2 The framework resolutions:
 - (i) may not be effective for more than one year;
 - (ii) must refer to sufficiently determined transactions;
 - (iii) must report the expected maximum amount of the transactions to be implemented in the period of reference;
 - (iv) must report the motivation of the envisaged conditions.
- 9.3 The provisions of Articles 7 and 8 of the Regulation do not apply to individual transactions concluded in implementation of the framework resolution and therefore the same are not subject to the procedure dictated by Articles 6, 7 and 8 of the Procedure.
- 9.4 The executive officers or the executive committee of the Company provide, at least quarterly, to the board of directors, to the Related Party Transactions Committee and to the board of statutory auditors

complete and detailed information on individual Transactions with Related Parties implemented in execution of framework resolutions.

- 9.5 When a framework resolution is approved, the Company publishes an information document in accordance with Article 5 of the Regulation if the expected maximum amount of the Transactions with Related Parties subject to that resolution exceeds one of the thresholds of significance for identifying Transactions of Greater Significance.
- 9.6 Transactions concluded in implementation of a framework resolution subject to an information document published in accordance with Article 9.5 above are not calculated for the purposes of the accumulation envisaged by Article 5, paragraph 2 of the Regulation.

10. Disclosure on Transactions with Related Parties

- 10.1 The Company must respect the provisions of Articles 5 and 6 of the Regulation in relation, respectively, to disclosure to the public and communication to the public of Transactions with Related Parties, as well as, in any case, all other applicable legal obligations in relation to public disclosure and communications, also with specific regard to cases in which the Transactions with Related Parties are price sensitive.

11. Resolutions on the Procedure and dissemination of the Procedure within the Company and to Subsidiaries

- 11.1 The resolutions on the Procedure and on any changes are approved, in any case, in respect of the provisions of the Regulation, by the board of directors subject to the favourable opinion of the Related Party Transactions Committee or, where at least three Independent Directors are not in office, subject to the favourable opinion of any Independent Directors present or, in their absence, subject to the non-binding opinion of an independent expert.
- 11.2 The chairman of the board of directors shall send the Procedure and any changes to the managers with strategic responsibilities of the Company and in any case to the Financial Reporting Officer and, in accordance with Article 114, paragraph 2 of the Consolidated Law on Finance, to the members of the management and control bodies and to the managers with strategic responsibilities of the Subsidiaries. He/she must also ensure that the Subsidiaries acknowledge and undertake to respect, insofar as they are responsible, the Regulation and the Procedure and they forward it, in turn, to the companies over which they exercise control. The Procedure therefore acts as instructions from the Company to the Subsidiaries in accordance with Art. 114, paragraph 2 of the Consolidated Law on Finance.
- 11.3 The Financial Reporting Officer shall deal with the necessary coordination between the Procedure and the Company's administrative and accounting procedures for preparing the consolidated financial statements, the financial statements and any other communication of financial nature. Therefore, he/she shall inform the chairman of the board of directors, the chairman of the Related Party Transactions Committee and the chairman of the board of statutory auditors of any changes to the procedure that are deemed opportune.
- 11.4 Subject to the other publicity obligations of law, the Procedure and any changes are published without delay on the Company's website, also by that website in the annual management report, in accordance with Article 2391-bis of the Italian Civil Code.

Annexes:

Annex A – Transactions with Related Parties Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010